

UNITED STATES DISTRICT COURT

EASTERN

DISTRICT OF

WASHINGTON

UNITED STATES OF AMERICA
Plaintiff,

JUDGMENT IN A CIVIL CASE

V.

JIRI V. PRUSA; ELANY A. PRUSA;
ORINOCO LAND TRUST
Defendants.

Case Number: CV-11-346-JLQ

X **Decision by Court.** This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED

1. The tax liabilities which the United States seeks to collect in this action were reduced to judgment against Jiri V. Prusa and Elany A. Prusa in the amount of \$247,996.90 for individual income tax for the taxable periods ending December 31, 1997, through and including December 31, 2008, plus interest from August 31, 2010, until the judgment is paid. *United States v. Jiri V. Prusa, et al.*, Civil No. 2:09-CV-00601 WBS KJN (E.D. Cal. June 29, 2011).

2. Defendant Orinoco Land Trust was created by Larry Carroll as trustee for the benefit of Jiri V. Prusa and Elany A. Prusa and the Prusas transferred their property to the trust for no consideration.

3. Defendant Orinoco Land Trust is a sham trust which may be disregarded for the purposes of collection of the federal tax liabilities described above in paragraph 1.

4. Defendant Orinoco Land Trust is a grantor trust, nominee, and alter ego of defendants Jiri V. Prusa and Elany A. Prusa.

5. The parcel of real property that is the subject of this action is located in Pend Oreille County, Washington, and is more particularly described as follows:

2 - 56 F6 LOT 7 BLK A LESS RD
PLEASANT VIEW 33-32-45

Assessor's Geographic Identity No: 453233510007.

This property is hereinafter referred to as the "Prusa Lot."

6. On or about March 24, 1994, Jiri V. Prusa and Elany A. Prusa, husband and wife, purchased the Prusa Lot but recorded title in the name of "Digger Hill, David Niedziejko, Trustee." Digger Hill Trust was adjudicated a sham trust by the United States District Court for the Eastern District of California. *United States v. Jiri V. Prusa, et al.*, Civil No. 2:09-CV-00601 WBS KJN (E.D. Cal. June 29, 2011).

7. On or about September 12, 2002, Jiri V. Prusa and Elany A. Prusa directed the transfer of title of the Prusa Lot from the name of Digger Hill Trust to the name of Orinoco Land Trust, Larry Carroll, Trustee. Larry Carroll, the purported trustee of Orinoco Land Trust, died in 2003.

8. From 1994 to the present, Jiri V. Prusa and Elany A. Prusa retained the true ownership of the Prusa Lot.

9. The transfers of the Prusa Lot described in paragraphs 6 and 7, above, are hereby set aside. Title to the Prusa Lot is hereby returned to "Jiri V. Prusa and Elany A. Prusa, husband and wife, as joint tenants." **CONTINUED ON PAGE 2**

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10. The federal tax lien under 26 U.S.C. § 6321 and the judgment lien attaches to all property and rights to property of Jiri V. Prusa and Elany A. Prusa, including but not limited to the Prusa Lot.

11. The United States is entitled to foreclose its liens against the Prusa Lot and that property will be sold pursuant to further order of this Court. The United States shall promptly proceed with such a sale and make appropriate filings herein as to the result thereof. This file shall then be closed.

12. Each party shall be liable for its own costs of litigation and attorneys' fees.

11/7/2011
Date

JAMES R. LARSEN
Clerk

By s/ Linda Hansen
Deputy Clerk